definition of all variables. Fixed Charges are normally defined as the sum of Taxes, Interest, Principal Repayments, Capital Expenditures, Partner Distributions/Shareholder Dividends. Cash flow is normally defined as Net Income plus non-cash charges and Interest Expense. Total Debt is normally defined as all funded debt including all subordinated debt regardless of the strength of the subordination terms of specific debt agreements. As you know, these definitions can take several forms through the negotiating process to meet specific circumstances of the credit transaction.

I hope this is helpful to you. Please let me know if there is anything else I can provide.

Sincerely,

Stephen H. Smith
Assistant Vice President
Communications Industries

PNC Bank, N.A.
Broad & Chestnut Streets
P.O. Box 7648
Philadelphia, PA 19101
215 585 6014 Tel

Scott C. Meves
Vice President

PNCBANK

March 8, 1993

Mr. Michael K. Menerey
Chief Financial Officer
Falcon Cable TV
474 S. Raymond Ave., Suite 200
Pasadena, CA 91105

Dear Mike:

As a follow up to our discussions, I am pleased to provide information regarding some of the current lending parameters which PNC Bank has been utilizing for our cable television portfolio. I understand that the information is being solicited in order to be included as supporting information for a proposal being made to the FCC regarding rate justification.

Specifically I understand that Falcon has made a proposal to the FCC which is intended to provide a simple, expeditious mechanism for evaluating complaints lodged against cable operators whose rates might fall outside the FCC's benchmarks. This proposal includes utilizing credit ratios, particularly a fixed charge coverage test and a total leverage test.

In regard to both the fixed charge ratio and the ratio of total debt to cash flow, it is fair to say that PNC Bank is following more conservative lending parameters than were being applied two or three years ago. It is also fair to say that despite the more conservative parameters, PNC Bank continues to be a very active supporter of this industry and continues to provide financing for its capital requirements. A typical bank financing in today's market would limit the ratio of total debt to cash flow to no more than 6.5 times. As far as the fixed charge ratio is concerned most credits tend to require a ratio of approximately 115%-125%. Fixed charge coverage is defined as Earnings Before Interest, Taxes, Depreciation and Amortization, less cash taxes, divided by the sum of interest, mandatory principal payments on total debt and capital expenditures.

Mike, as you are aware, PNC Bank, N.A. is a leading institution in cable television finance with $850 million in commitments to the industry, placing us among the 15 largest bank lenders to cable television today.

Sincerely,

Scott C Meves

Scott C. Meves
Vice President
Communications Lending

MORGAN STANLEY

MORGAN STANLEY & CO.
INCORPORATED
1251 AVENUE OF THE AMERICAS
NEW YORK, NEW YORK 10020

EXHIBIT A

COMPANY	TOTAL DEBT/OCF
Adelphia Communications	8.4x
Cablevision Industries	8.0
Cablevision Systems	7.5
Century Communications	7.0
Jones Intercable	6.9
Comcast	6.1
Continental Cablevision	5.9
Tele-Communications, Inc.	5.5

LAZARD FRÈRES & CO.
ONE ROCKEFELLER PLAZA
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NEW YORK

March 9, 1993

Mr. Michael K. Menerey
Chief Financial Officer
Falcon Cable TV
474 S. Raymond Ave. Suite 200
Pasadena, CA 91105

Dear Mike:

You have requested our views regarding generally accepted lending parameters for cable television companies, specifically with regard to the ratio of total debt to cash flow. As you know, Lazard Frères is a leader in cable television finance, having been a manager in $1.2 billion in subordinated debt offerings for cable television issuers since 1992.

It is important to us that the industry continue to have access to the capital markets and that their existing and future free cash flow be sufficient to cover, with a reasonable cushion, debt service